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NABE NEWS
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ANNUAL MEETING REVIEW

It may be remembered by some as the year of the chicken, (why so, ask one of the attendees). But to the four hundred in attendance, the 25th NABE Annual Meeting was a fine program, beautifully arranged.

Ben Laden and his program committee put together an excellent review of "An Economy in Transition." Themes from one session would tie into topics and observations of other sessions to produce a cohesive, thought-provoking three and a half days. Jennifer Coury and her Arrangements Committee in Detroit worked hard to make sure that the meetings ran smoothly and that the attendees were well-fed and pampered.

As has been the tradition, *NABE News* will run the NABE economic survey results—this year prepared by Nick Filippello of Monsanto Company and NABE's Vice President for 1982-83. *Business Economics* will carry some of the papers presented at the Annual Meeting, including the Presidential Address and the Adam Smith Lecture. Ed Fiedler's Presidential Address, "Stagflation—Our Pernicious Social Disease," and Charles Kindleberger's Adam Smith Address, "Was Adam Smith a Monetarist or a Keynesian?," are both excellent speeches and well worth a careful reading.

The limited space of this newsletter prevents a full reporting on the numerous sessions at the Annual Meeting. Various themes, however, were often addressed at the meeting, such as the impact on large federal deficits on economic activity here and abroad. The current and some past chairmen of the Council of Economic Advisors presented their views on the current deficit and their proposals for cutting its size.

International economists saw the U.S. budget deficit at the root of many economic problems abroad. Deficit financing, for example, and the attendant high real interest rates are aggravating the debt crisis for many developing countries. High U.S. interest rates are curbing the worldwide recovery, thus triggering calls for trade protectionism among industrialized countries—a development which adds to the problems of the LDCs.

Members of Congress viewed the large federal deficit as contributing to the structural problems plaguing the U.S. economy. A meeting recap led to the observation that the deficit and potential financial crowding-out raise questions about the NABE consensus outlook, perhaps it paints too tranquil a picture. The outlook follows for your observation.

NATIONAL ASSOCIATION OF BUSINESS ECONOMISTS 1983 ANNUAL MEETING MEMBERSHIP SURVEY

Presented By A. Nicholas Filippello Vice President, NABE

I am indeed delighted to have the opportunity to present your views on the economic outlook and economic policy. This annual membership survey has become a tradition at the annual meeting and supplements the fine telephone surveys conducted for us on a quarterly basis by Tom Juster's staff at the University of Michigan.

One well known economist, in fact it was this Association's president Ed Fiedler, once said, "when you know absolutely nothing about the topic, make your forecast by asking a carefully selected probability sample of 300 others who don't know the answer either." Ed, I did better than that. I got 407 others. Seriously, I want to thank each of you who contributed to this survey. I think you will agree that we came up with some interesting results. Also, I want to thank my associate, John Qualls of Monsanto Company, for the many hours he devoted to this survey.

SURVEY CHARACTERISTICS

Before getting into the consensus outlook, let's take a look at the characteristics of this year's respondents. A plurality of us is employed in the manufacturing sector—about 25%. This is about the same as last year, but down from one-third just five years ago. The two relative growth areas in recent years have been consulting or research and non-bank finance, each with about 16%. Fourteen percent of us are in commercial banking, while another 10% are in the energy/utility area. Academic institutions and government each employ about 5½% of us, while some 7% are employed by transportation industries, trade associations, or others.

Age-wise, we are becoming an older, but hopefully wiser, group. Less than 28% of us are under 35 years of age—down from about a third in the late seventies. Forty-five percent of us are between 35 and 50, while 26% admitted to being 50 or older. One percent admitted nothing and refused to answer the question.

Geographically, our numbers are dominated by the Northeast and North Central regions, with 36% and

27% respectively. The South and West each claim some 18%. About 1% are outside the U.S.

Concerning our proclaimed forecasting proclivities, 52% of us claim to be eclectic judgementalists, while 26% call themselves eclectic econometric forecasters. in spite of the increased public awareness of monetarism in recent years, only 6½% call themselves monetarists—about the same as the average of these surveys for the past nine years. More than 8% call themselves rational expectationists, but that is down from 11½% in 1980 and 1981. One percent considered themselves to be "supply-siders."

RECOVERY WILL CONTINUE

Moving on to survey results, 55% of our members reported that, during August, demand had increased over the prior three months. This clearly confirms the results of our most recent quarterly survey which indicated that the recovery is alive and well. As you will see in a moment, that optimism carries over into our expectations for the near future. Note, however, that inventories continue to lag demand. In part, this phenomenon may reflect the tighter management of assets and inventory control now being practiced by many industrial companies. Employment, capital investment, prices and profit margins are showing definite signs of picking up. However, as might be expected at this stage of the cycle, the improvement is less apparent or uniform than with demand.

Moving now to the near-term forecast, the outlook for reasonable economic growth in 1984 is nearly unanimous. On average, we are predicting 4.5% real GNP growth for 1984 as a whole, compared to 3.2% for 1983. In fact, more than half of us expect growth next year of between 4% and 5%, with the mid-range at 4% at the 25th percentile and 4.9% at the 75th percentile.

The quarterly pattern of growth through next year suggests a third quarter just about in line with the recently announced Commerce Department's "Flash" estimate of 7%. Thereafter, growth moderates to more sustainable levels, but levels off at a respectable 4% annual rate. Numerous concerns have been expressed regarding a possible "crowding out" phenomenon down the road. But, collectively, we envision a good year in 1984 before significant adverse consequences develop.

The consumer has been the star of 1983, and our members see that role largely continuing in 1984. The median predicted growth next year in real consumer spending is 4.3%—about the same as the overall economy, and down only slightly from the 4.5% expected this year. The mid-range is 3.8% to 5.2%.

A key component of consumer demand is sales of automobiles. Here, our members foresee 10 million units, including imports, being sold in 1984—up from 9.1 million this year. Again, the consensus is reasonably tight with a mid-range of 9.5 to 10.3 million units.

The reported medians associated with quarterly patterns suggest a slowly improving auto picture through the end of next year. These are sales rates which remain well below the record of 11.3 million units in 1973, but a welcome relief from recent years.

The consensus on new housing starts is a good deal less tight than for some other areas of the economy. Although the median forecast is for nearly 1.7 million units, or about the same as in 1983, 25% of our respondents are looking for 1.5 million units or less. Apparently, a significant portion of our members is concerned that housing may become the first casualty of "crowding out" and that the impact would be felt in 1984. Accordingly, housing would appear to be an area of special risk in the coming year.

Nevertheless, the median outlook for the quarterly pattern in housing suggests a near-term outlook for starts which is somewhat below recently reported rates, but for relative stability through next year.

NATIONAL ASSOCIATION OF BUSINESS ECONOMISTS

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Business investment has lagged the economy this year, and our members expect it to register nearly a 1% decline in real terms. However, for 1984, the survey results suggest that real business fixed investment will contribute to economic growth at a rate of some 4.7%. The mid-range of 3.2% to 6%, however, indicates that the investment recovery may be somewhat less robust than those following some earlier recessions.

What does all of this mean for U.S. industry? First of all, we expect industrial production to increase by more than 7%, following 5% growth this year. Three-quarters of us expect the increase to be at least 5.2%.

Secondly, the implications of our outlook for corporate profits are favorable as well. On average, we expect pretax profits (with inventory valuation adjustments and capital consumption allowances) to reach $245 billion, or some 17% above the expected 1983 figure. The outlook for our companies, then, seems to be pretty good.

RATE OUTLOOKS

What then is the outlook for us as individuals? For one thing, we continue to expect inflation to remain fairly moderate at about 5% for the CPI. Furthermore, the consensus is reasonably tight with a mid-range consensus of 4½% to 6%. It is noteworthy, however, that we believe that the best of disinflation is past.

Compared to expected consumer price inflation of only 3.5% this year, the consensus outlook calls for a progressive, though moderate, escalation of reported inflation from now through the end of next year. Are we saying that the new base rate of inflation is 5%-6%, or that a new acceleration is about to begin? I'll try to answer that question in a moment.

First, however, sticking to the near-term, our members see the unemployment rate dropping in 1984 to 9% or a bit less—an improvement from the 9.8% average expected this year, but obviously still quite high by historical standards.

Nevertheless, the trend appears to be positive. On average, we see the unemployment rate posting steady declines through next year, reaching the neighborhood of 8½% by election day. We didn't ask members their views on the political ramifications of this forecast. But, hopefully, we will hear some expert opinions in this regard over the coming 2½ days.

We are split on the outlook for interest rates. A plurality of us expects rates to move moderately higher by the end of this year, and moderately higher again by the end of 1984. Still, a significant 30% expects rates to drift moderately lower, with more than 20% expecting little change. The results for short and long-term rates were similar. The clear message, however, is that the overwhelming majority of us expects neither sharply higher nor lower rates over the coming year.

We are a bit more definitive about the expected direction of the dollar in international money markets. Although relatively little change is expected for the rest of 1983, half of us are looking for moderate weakening during 1984. The term "moderate" was not quantified. But the implication of this forecast is for a dollar which remains relatively strong on a purchasing-power-parity basis, although perhaps less so than has recently been the case. Implied is some help for the U.S. international competitive position, but not a lot.

LONGER VIEW

Turning to the longer-term outlook, many of us expressed concern that continuing high federal budget deficits and attendant "crowding out" would result in a premature end to the current recovery. Forty-one percent said that the next business recession would begin in 1985, while another 31% predicted a downturn in 1986. The good news is that all but 9% felt that the recovery was secure through next year.

In spite of concerns over the longevity of the current recovery, the outlook for economic growth through 1987 would appear to be more favorable than during the past 5-6 years. Seventy-six percent of us expect average annual real GNP growth over a five-year period to be between 2% and 4%, with an average forecast of 2.8%. This compares favorably with only about 1½% since 1977. Corresponding to this GNP growth forecast, is an average forecast of productivity growth at 1.8%—a notable improvement over the 0.5% rate since 1978.

Earlier I mentioned our forecast of a modest uptick in inflation during 1984. Fortunately, that does not seem to imply that we are forecasting a new cycle of rapid inflation. Nearly half of us said we expect the CPI to average between 4% and 6% through 1987. Another 36% are less optimistic, looking for rates of between 6% and 8%. On average, we are predicting a 6% annual rate of change.

As mentioned earlier, there is little optimism regarding the federal budget deficit. The good news is that only 12% expect the average budget deficit through 1987 to exceed the $200 billion or so anticipated for FY 1983. The bad news is that only 11% expect it to average below the $100-$150 billion range. The plurality, at 41%, look for continuing deficits in the $150-$200 billion range for the foreseeable future. Consequently, the deficit and all that may follow as a result, appears to be the single largest source of concern expressed by our members.

TRACK RECORD

Before moving on to our collective policy views, let's take a quick look at how well we forecast 1983 a year ago. Assuming that our current view of this year is about right, we did pretty well last year in forecasting real GNP growth. Last September the consensus forecast was 2.9%. Now we are saying 3.2%. I would round both to 3% and say we got that one right.

As is often the case, however, aggregate numbers hide compensating errors. We didn't do as well on the composition of economic activity. We were overly cautious about consumer spending, underestimating real growth by 1.5 percentage points. By contrast, we were too optimistic concerning real business fixed investment, overestimating growth by 2.4 percentage points. Worse yet, we got the direction wrong.

Inflation is coming in at a sharply lower rate than we expected a year ago—3.5% vs. a forecast 6.5%. Pre-

sumably, this partially explains the better-than-forecast growth in real consumer spending.

Corporate profits appear that they will be about 7½% better than expected a year ago. That's probably not too bad. We didn't do as well on unemployment and housing. The unemployment rate apparently will average a full percentage point higher for the year than we anticipated a year ago. However, housing starts apparently will be substantially better than our conservative estimate of 1.2 million last September. In fact, given the strength of recent housing data, our consensus forecast of 1.64 million units for 1983 is probably low.

POLICY OPINIONS

Our outlook for near-term federal budget deficits has become more unfavorable in the past year. Whereas we expected a $125 billion deficit for FY 1984, we now collectively are estimating $190 billion.

We asked our members about their views on the international monetary system. Eighty-two percent opposed a return to a Bretton Woods type system and 89% thought such a return unlikely.

Nearly half opposed a more managed system of floating rates, with 29% favoring such a change to help stabilize exchange rates. Almost two-thirds rated the likelihood of a move in that direction as a toss-up.

The current system of dirty floats around the world seemed generally to be accepted by near half without either strong enthusiasm or opposition. Sixty-three percent thought it probable that the current system would continue unchanged.

Finally, 44% favor a system of freely floating rates. But, an overwhelming 74% think that adopting that approach on a worldwide basis is unlikely.

We also asked our members which monetary variables they currently watch, first as indicators of monetary policy, secondly for predictive purposes. The monetary aggregates have it over interest rates as the most watched indicators of policy. The monetary base was the most popular with 22% of respondents, while M2 was followed most closely by 18%. Interest rates were not disregarded, however. The federal funds rate got the nod from 20% of respondents.

As a forecasting variable for overall economic activity, however, M2 was the strong favorite with 30%. Total liquidity and M1 tied for second place with 21% each.

Paul Volcker and his associates are doing a good job, according to 68% of us. That is, monetary policy as currently being conducted is about right. Nineteen percent of us, however, believe that monetary policy currently is too easy, while 13% view it as too tight.

Fiscal policy is not viewed as favorably as monetary policy. Fully 76% view current policy as too easy—again reflecting concern over the size of projected budget deficits.

When asked about an amendment to the U.S. Constitution to balance the budget, however, 54% of us opposed the idea—35% opposed it strongly. Although 41% expressed some support for an amendment, few thought it would have the desired effect. Thirty percent thought that it might reduce the deficit somewhat, but 37% thought it would have no effect. Thirteen percent thought that an attempt to balance the budget would cause a severe economic correction.

Finally, we asked our members a series of questions related to how future federal deficits might be reduced. First, we asked them about their own personal positions on each of thirteen proposals which have been advanced to reduce the gap between outlays and revenues. Secondly, we asked them to evaluate the probability that action would be taken on each proposal in the next few years.

An overwhelming two-thirds of us opposed a general increase in personal income tax rates. Yet 29% thought such an increase likely, and 44% gave it an even chance.

A reduction in the number and amount of itemized income tax deductions received 42% support, although 34% were opposed. Sixty-eight percent gave such action at least an even chance of eventual adoption.

Increased corporate tax rates were soundly opposed, with a negative response from 70% of us. Nevertheless, 73% gave passage of some increase an even chance or better.

A value-added tax was opposed by 43%, but received a degree of support from 35%. More than 60%, however, judged that the adoption of a VAT was improbable.

A national sales tax evoked little interest—64% opposed it and 76% thought it unlikely to be adopted.

A "flat" type personal tax, characterized by higher average tax rates to increase revenue, but lower marginal rates to encourage saving and investment, received a reasonable degree of support, with 45% in favor and only 29% opposed. In spite of the possible benefits seen by some, two-thirds gave the proposal little chance of passage.

Added taxes on energy in the form of import duties on crude oil or increased excise taxes on retail gasoline sales generated some support by around 40% of the respondents. Yet, almost an equal number opposed such measures. Both proposals were largely viewed as having a 50-50 chance of adoption, with a slight edge for those thinking that passage was likely.

Of course, we didn't limit our options to methods of increasing revenue. We also asked about where expenditure growth could—or should—be cut. Sixty-three percent favored some reduction in the rate of growth in defense spending. Significantly, 84% suggested that there was at least an even probability that some action would be taken in this area.

Reductions in the growth of Social Security payments received even greater support, with 73% favoring a restructuring of the benefits system. However, 45% thought any such action unlikely, compared to only 14% who thought action might be taken successfully.

The results were similar for proposals to reduce the growth of other entitlement programs and other non-defense expenditures. Support for such reductions was large, but only about 20% thought that there was a significant chance of action.

The support for reductions in the growth of federal

grants-in-aid to state and local governments was less than in other expenditure areas, but still significant at 56%. Again, however, only 20% viewed further action in this area as probable.

In summary, as a group, we are concerned about the prospect of continued high federal deficits in the years to come and the impact that those deficits might have on interest rates, economic growth, capital formation and the overall vitality of the private economy.

In general, we favor controlling the size of the deficit by aggressively reducing the growth of federal expenditures—in *all* major categories. In general, we are less enthusiastic about measures designed to increase revenues, although many suggest a willingness to consider certain proposals. The least objectionable tax increases apparently are those which might further some national goal, such as increased saving relative to consumption, or reduced demand for oil-based energy.

Collectively, however, we are not very optimistic that the problem will be solved. In each of the thirteen proposals to reduce deficits, those who thought positive action was likely were far outweighed by those who gave the proposal only an even chance. And, in most cases, they were also outnumbered by those who thought action was improbable.

UPBEAT OUTLOOK

In spite of the concerns over federal economic policies, however, this group is unusually upbeat in its outlook for the economy over the coming year. We see reasonable and continued economic growth, no major acceleration of inflation, a basically healthy consumer, and some renewed life in capital spending, employment and corporate profitability. And, that's not bad!

Economists always are looking over the near-term trough or around a hill trying to see what comes next. And even though we often don't see at that distance very clearly, that is part of what we are paid to do. Yet, the message that comes through loud and clear is—in spite of potential problems down the road, the near-term outlook is good.

TABLE I

NABE ECONOMIC OUTLOOK CONSENSUS, 1983-84 (MEDIANS)
(Seasonally Adjusted Annual Rates)

	Annual			Quarterly							
	1982	1983	1984	1983				1984			
Percent Changes				Q1(a)	Q2(a)	Q3	Q4	Q1	Q2	Q3	Q4
1. Real GNP	-1.9%	3.2%	4.5%	2.6%	9.2%	6.4%	4.7%	4.3%	4.1%	4.0%	4.0%
2. Real Consumer Spending (PCE)	1.4	4.5	4.3	2.9	9.7	5.2	4.5	4.0	3.8	3.5	3.3
3. Real Business Fixed Investment	-4.7	-0.9	4.7	-1.5	6.1	3.0	4.0	5.5	6.0	6.0	6.0
4. Consumer Prices (CPI-U)	6.1	3.5	5.0	-0.4	4.2	4.5	4.6	5.0	5.0	5.2	5.5
5. Industrial Production	-8.1	5.0	7.1	9.9	17.9	11.4	7.6	6.2	6.0	6.0	5.9
Levels											
6. Corporate Profits ($ Bill.)	$165	$209	$245	$176	$199	$221	$230	$238	$248	$256	$264
7. Civilian Unemployment (%)	9.7	9.8	8.9	10.4	10.1	9.6	9.4	9.1	9.0	8.8	8.5
8. Total Auto Sales (Mill.)	8.0	9.1	10.0	8.4	9.2	9.4	9.6	9.9	10.0	10.2	10.3
9. Housing Starts (Mill.)	1.06	1.64	1.68	1.69	1.69	1.65	1.60	1.63	1.70	1.70	1.70
	FY83(e)	FY84	FY85								
10. Federal Deficit ($ Bill.) (Unified Basis)	200	190	180								

Note: Annual and quarterly totals not always consistent because median of each is reported separately.

TABLE II

NABE CONSENSUS FINANCIAL OUTLOOK

	Sharply Lower	Mod. Lower	Little or No Change	Mod. Higher	Sharply Higher
1. Bank Prime Rate					
To End-1983	0%	14%	32%	53%	1%
End-1983 to End-1984	2	30	22	41	5
2. New AA Utility Yields					
To End-1983	1	19	33	45	2
End-1983 to End-1984	4	31	23	37	5
3. Trade-Weighted Value of $					
To End-1983	1	25	39	33	2
End-1983 to End-1984	12	50	21	16	1

TABLE III

NABE CONSENSUS LONGER TERM OUTLOOK

1. NEXT BUSINESS RECESSION WILL BEGIN:

	Percent Distribution
1983	1%
1984	8
1985	41
1986	31
1987/Later	19

2. PROJECTED REAL GNP GROWTH:

1983 Forecast for 1982-87

Projected Growth	Percent Distribution
Under 1%	1%
1-2%	15
2-3%	41
3-4%	35
4-5%	7
Over 5%	1

Average, 2.8%

Historical Record

Year Forecast	Projected Rate	Actual	Rate
1975 (74-79)	3.7%	1974-79	3.5%
1976 (75-80)	4.1	1975-80	3.7
1977 (76-81)	3.7	1976-81	3.1
1978 (77-82)	3.4	1977-82	1.6
1979 (78-83)	2.7	1978-83e	1.3
1980 (79-84)	3.0		
1981 (80-85)	3.2		
1982 (81-86)	2.6		
1983 (82-87)	2.8		

3. PROJECTED INFLATION RATE*:

1983 Forecast for 1982-87

Projected Rate	Percent Distribution
Under 2%	1%
2-4%	6
4-6%	47
6-8%	36
8-10%	9
Over 10%	1

Average, 6.0%

Historical Record

Year Forecast	Projected Rate	Actual	Rate
1975 (74-79)	6.4%	1974-79	7.3%
1976 (75-80)	5.8	1975-80	7.2
1977 (76-81)	6.0	1976-81	8.1
1978 (77-82)	6.5	1977-82	8.1
1979 (78-83)	7.6	1978-83e	7.5
1980 (79-84)	8.2		
1981 (80-85)	7.3		
1982 (81-86)	6.6		
1983 (82-87)	6.0		

*GNP Deflator for 1975-1981
CPI—All Urban Consumers for 1982-1983

4. PROJECTED PRODUCTIVITY GROWTH:

1983 Forecast for 1982-87

Projected Rate	Percent Distribution
Negative	2%
0-1%	14
1-2%	46
2-3%	30
3-4%	7
4-5%	1
Over 5%	0

Average, 1.8%

Historical Record

Year Forecast	Projected Rate	Actual Rate	
1979 (78-83)	1.2%	1978-83e	0.5%
1980 (79-84)	NA		
1981 (80-85)	1.4		
1982 (81-86)	1.5		
1983 (82-87)	1.8		

5. PROJECTED AVERAGE BUDGET DEFICIT:

1983 Forecast for 1982-87

Projected Deficit	Percent Distribution
$ 0-50 Billion	1%
50-100	10
100-150	35
150-200	41
200-250	11
Over 250	2

Average, $153 Billion

TABLE IV

CURRENT BUSINESS CONDITIONS

	Rising	Same	Falling
Demand	55%	27%	18%
Employment	27	47	26
Inventories	21	51	28
Capital Investment	32	43	25
Profit Margins	36	33	31
Prices	36	51	13
Wages/Salaries	38	56	6

TABLE V

MONETARY AND FISCAL POLICY

	Best Measure of Monetary Policy	Aggregate Most Closely Related to Economic Activity
Non-borrowed Reserves	10%	5%
Monetary Base	22	15
M1	11	21
M2	18	30
M3	5	8
L (Totai Liquidity)	7	21
Federal Funds	20	NA
Other Interest Rates	3	NA
Other	4	NA

(TABLE V continued)

	Current Monetary Policy	Current Fiscal Policy
Too Restrictive	13%	5%
About Right	68	19
Too Easy	19	76

Balanced Budget Amendment to the U.S. Constitution

Support		Effects on U.S. Economy	
Strongly in Favor	17%	Will Result in Balanced Budget Eventually	8%
Moderately in Favor	24	Will Reduce But Not Eliminate Deficits	30
Neutral	5	Little or No Effect on Deficits	37
Moderately Opposed	19	Will Cause Severe Recession/Depression	13
Strongly Opposed	35	Other	12

NEW CHAPTER IN SILICON VALLEY?

Jerry Bongard, NABE Director and Chief Economist at Pacific Telephone Company, is trying to organize a new NABE chapter in the San Francisco Peninsula.

An initial meeting of a potential Peninsula Chapter was held October 4, 1983 at SRI Menlo Park. Participants at this introductory meeting were:

MARK EARLE
SRI International
"Pacific Basin Outlook"

GERALD J. BONGARD
Pacific Telephone
"Review of National Meeting of Business Economists"

DAVID E. RAPHAEL
SRI International
"Summation"

Additional meetings are planned for November 8 and December 13—both at SRI Menlo Park. The December 13 meeting will feature Nick Filippello, NABE's new President.

It is hoped that the Peninsula Chapter will draw upon the executives in the area who are interested in exchanging ideas and views on the economy, business conditions, and specific areas of interest to the Silicon Valley and surrounding areas.

Anyone interested in supporting the formation of this new chapter should contact:

David E. Raphael at SRI
(415) 859-4649
or
Jerry Bongard at Pac Tel
(415) 542-9650

SURVEY PUBLICITY

Over the past year and a half, the NABE survey has gained an impressive amount of press coverage. Last year, for example, Don Conlan was interviewed by Irving R. LeVine on the national NBC Nightly News.

The August survey didn't hit such the "big time," but, nonetheless, national coverage was high.

In reporting on the last quarterly survey, Ed Fiedler received excellent coverage on Ted Turner's Cable News Network. It was most impressive to observe a room full of journalists scribbling furiously to catch Ed's every comment.

An AP article on the NABE survey was picked up by most major newspapers. Lindley H. Clark, Jr. quoted from the survey in one of his *Wall Street Journal* editorials. *Barrons* carried the survey results. Jonathan Fuerbringer of the *New York Times* wrote a lengthy piece on the survey.

USA Today, in its coverage, credited the NABE survey results for adding 8.94 points to the Dow!

Alan Wade has done an outstanding job of getting press coverage, and Jerry Jordan deserves commendation for designing such excellent questions that garner the wide-spread press coverage.

Forecasters within the NABE membership are urged to sign up as survey participants. All survey participants should make a special effort to answer the survey when they are contacted by Tom Juster's staff from the University of Michigan during the second week of November, February, May and August.

ABRAMSON AWARD

The A.G. Abramson award was given to Susan Weller Burch of the Federal Reserve Board. The Abramson Award is named after NABE's first President and is given to the author of the *Business Economics* article